



CHIEF, APPEALS

DEPARTMENT OF THE TREASURY
INTERNAL REVENUE SERVICE
WASHINGTON, D.C. 20224

June 21, 2004

MEMORANDUM FOR ALL APPEALS EMPLOYEES

FROM: David B. Robison /s/ *David B. Robison*
Chief, Appeals

SUBJECT: Interim Guidance on Appeals Policy Regarding
Trading Penalties

The purpose of this memorandum is to establish a new policy for Appeals concerning the settlement of penalty issues. Effective immediately we will no longer trade penalty issues in Appeals. Penalties can and should still be settled, but the settlement should be based on the merits and the hazards surrounding each penalty issue standing alone.

This guidance will be incorporated into IRM 8.6.1.3 by March 2005.